



REPLY TO  
ATTENTION OF

**DEPARTMENT OF THE ARMY**  
**INSTALLATION MANAGEMENT AGENCY**  
2511 JEFFERSON DAVIS HIGHWAY  
ARLINGTON, VA 22202-3926

**JUL 30 2004**

**SFIM-HR-C**

**MEMORANDUM FOR ALL US Army Installation Management Agency Personnel**

**SUBJECT: US Army Installation Management Agency Policy Memorandum # 25,  
Civilian Recruitment and Relocation Bonuses and Retention Allowances**

**1. REFERENCES.**

- a. 5 U.S.C. 5307, Limitation On Certain Payments.
- b. 5 U.S.C. 5541, Premium Pay.
- c. 5 U.S.C. 5753, Recruitment and Relocation Bonuses.
- d. 5 U.S.C. 5754, Retention Allowances.
- e. 5 CFR part 575, Recruitment and Relocation Bonuses; Retention Allowances.
- f. DOD 1400.25-M, Civilian Personnel Manual, Chapter 500, Subchapter 575, Recruitment and Relocation Allowances, December 1996.
- g. JTR, Volume 2, DOD Civilian Personnel.
- h. AR 215-3, Nonappropriated Funds Personnel Policy, Chapter 3, Section VIII, August 2003.
- i. ASA(M&RA) Civilian Personnel Policy Memorandum, June 23, 1999, Subject: Department of Defense (DoD) Policy on Recruitment, Retention, and Relocation Bonuses and Allowances for Nonappropriated Fund (NAF) Employees.

**2. PURPOSE.** To supplement DOD and DA policy and to provide IMA delegation, policy, and processing procedures for administering civilian recruitment, relocation, and retention incentives.

**3. APPLICABILITY.** This policy applies to all personnel (US citizen and non citizen) employed in IMA appropriated and nonappropriated fund positions, excluding non-citizens in a nonappropriated fund Local National/Host Nation/Component Commander Employment System.

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#### 4. POLICY.

a. It is the policy of the IMA to utilize where appropriate, authorized incentives to attract and retain a high quality, skilled, and productive civilian workforce. These incentives include the use of recruitment and relocation bonuses, and retention allowances. In exercising this authority, IMA leadership will give due weight to budgetary considerations as well as the IMA mission requirements.

b. Appropriated Fund. The Administrative Assistant to the Secretary of the Army (AASA) retains the authority to approve recruitment, relocation, and retention incentives for HQIMA. Outside HQIMA the AASA has delegated this authority to the Director, IMA with the authority to further delegate. The Director, IMA delegates approval authority for the seven regions and garrisons to the Region Directors.

c. Nonappropriated Fund. Region Directors have authority to approve incentives for Region employees. Garrison Commanders have authority to approve incentives for Garrison employees.

#### 5. PROCEDURES.

##### a. Coverage.

(1) Appropriated Fund. Recruitment, Relocation, and Retention incentives may be paid to eligible IMA appropriated fund employees.

(2) Nonappropriated Fund. Recruitment, Relocation, and Retention incentives are authorized for regular full time employees.

b. Aggregate Limitation. An employee may not receive an allowance, differential, bonus, award, or similar payment in combination with basic pay, which would exceed Level I of the Executive Schedule.

c. Evaluation and Reports. HQIMA will conduct periodic reviews and evaluations of the use of recruitment, relocation, and retention incentives to ensure that such payments conform to the criteria established by this policy. Region Directors will be responsible for submitting annual reports based on fiscal year statistical data. Reports will be organized by each Garrison and submitted to the proponent for this policy. Reports will be due NLT 15 November of each year for the previous FY.

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(1) Each report will include the number of employees to whom an incentive was offered during the fiscal year, the percentage of salary offered, the number of employees who accepted the offer of an incentive, and the total dollar amount paid in incentives in the Region during the FY.

Additionally, the report will include that evaluation of the overall effect of the payment of an incentive on the ability to hire and retain high quality candidates.

(2) Other reports and data may be required as requested by DA for evaluation purposes and to provide information to DOD, OPM, or other interested parties.

d. Documentation and Recordkeeping. Copies of all requests and supporting documentation to include the referral list and all resumes of available candidates, will be submitted to and maintained by the respective HQ/Region for report and audit purposes.

e. Recruitment and Relocation Bonuses. A recruitment and relocation bonus is a lump-sum payment of up to 25 percent of basic pay that the IMA may pay to an employee newly appointed or a current employee who must relocate to a position in a different commuting area when, in the absence of the bonus, it would be difficult to fill the position with a highly qualified employee. In return, the employee must sign an agreement to fulfill a period of service with the IMA.

(1) Recruitment Bonus.

(a) Appropriated Fund. The IMA may pay a lump-sum recruitment bonus of up to 25 percent of the annual rate of basic pay to an employee who is newly appointed, provided there is a written determination that, absent such a bonus, difficulty would be encountered in filling the position. This includes an employee reappointed with a 90-day or more break in service.

(b) Nonappropriated Fund. A recruitment bonus is a one-time lump-sum payment up to 25 percent of annual basic pay. This may be offered to persons newly hired to NAF in a regular full time position, reinstated, or reemployed after a break in service of at least one year, and the position must be hard to fill and critical to the organization mission. An employee whose appropriated fund position is converted to nonappropriated funds is not eligible for a recruiting bonus.

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(2) Relocation Bonus.

(a) Appropriated Fund. The IMA may pay a lump-sum relocation bonus of up to 25 percent of the annual rate of basic pay to an employee who must relocate to accept a position in a different commuting area, as defined by reference 1g, provided there is a written determination that, absent such a bonus, difficulty would be encountered in filling the position. Law Enforcement Officers (as defined in 5 U.S.C. 5541(3)) may be paid a relocation bonus of \$15,000 or 25 percent of basic pay whichever is greater.

(b) Nonappropriated Fund. A relocation bonus of up to 25 percent of basic pay may be authorized. A relocation bonus may be offered to a current NAF employee to accept a regular full time position in a different area requiring a permanent change of station move. The relocation must be without a break in service. The bonus is intended for hard to fill positions that are critical to the organization mission and also to induce employees to relocate to remote or high cost areas.

(c) Only current employees may receive a relocation bonus. Approval of the bonus is contingent on the employee's changing his or her place of residence in conjunction with acceptance of the position in a different commuting area.

(d) The IMA will not pay a relocation bonus until the employee establishes a residence in the new commuting area.

(e) Relocation bonuses have no effect on an employee's entitlement to reimbursement for Permanent Change of Station (PCS) expenses, under the DOD Civilian Personnel Joint Travel Regulations, and should not be paid in lieu of reimbursing the employee for such expenses.

(3) Service Agreement. Before receiving a recruitment or relocation bonus, an employee must sign a written service agreement under which the employee agrees to be employed by the IMA for a period of 12 months in return for the payment of the bonus. Service agreements for temporary assignments may be for periods of less than 12 months, but will not be for less than the projected duration of the temporary assignment if it is less than 12 months. If an employee fails to complete the service period, he or she must repay the portion of the bonus attributable to the uncompleted period of service. The amount to be repaid will be determined by providing credit for each full month of employment completed by the employee under the service

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agreement. No repayment is required if the employee is involuntarily separated (for reasons other than misconduct or delinquency) or if the employee is involuntarily relocated to a different commuting area. The approving official may waive repayment if it is determined that a waiver is advantageous to the Federal Government. (Sample Service Agreement attached).

(4) Criteria for Paying Bonuses. A recruitment or relocation bonus will be calculated as a percentage of the employee's basic pay up to and including 25 percent. The determination that a bonus is appropriate, and the amount of that bonus will be based on written documentation identifying the name of the individual selected for the position, percentage of basic pay being requested, position description number, vacancy announcement number, area of consideration used for recruitment and length of time the announcement was open. In addition the written documentation will address the following factors:

(a) The success of recent efforts to recruit candidates for similar positions, including indicators such as acceptance rates, the proportion of positions filled, and the length of time required to fill similar positions;

(b) Recent turnover in similar positions;

(c) Labor market factors that may affect the ability to recruit candidates now or in the future;

(d) Special qualifications needed for the position and a comparison of the selected candidates special qualifications with the qualifications of each of the available candidates from the referral list; and

(e) Actual recruitment efforts undertaken to fill the position in question, and the results of those efforts, including the quantity and quality of candidates obtained.

f. Retention Allowances.

(1) Appropriated Fund. A retention allowance must be calculated as a percentage of the employee's rate of basic pay, not to exceed 25 percent. It is paid at the same time as the employee's regular pay (usually biweekly). However, a retention allowance is not considered basic pay for any reason. The IMA will not offer a retention allowance to an individual (or authorize the payment of such an allowance) prior to the

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individual's employment with the IMA. The IMA will not begin paying a retention allowance during the service period established by the employee's recruitment or relocation bonus service agreement. A relocation bonus may be paid to an employee already receiving a retention allowance.

(2) Nonappropriated Fund. A retention allowance of up to 25 percent of basic pay may be authorized to regular full time employees in a position without time limitation. Retention allowances will be based on the unusually high or unique qualifications of the employee or a special need for the employee's service.

(3) Individual Allowance. The IMA may pay a retention allowance of up to 25 percent of basic pay to an individual employee if the unusually high or unique qualifications of the employee or a special need of the organization for the employee's services makes it essential to retain the employee, and the IMA determines that the employee would be likely to leave the Federal service without the allowance. For NAF employees, the determination is that they will likely leave the "installation work force." See reference 1i.

(4) Group Allowance. Group allowances are applicable only to appropriated fund employees. Requests for approval of group retention allowances greater than 10 percent of basic pay pass through the Deputy Assistant Secretary of Defense, Civilian Personnel Policy on their way to the Office of Personnel Management.

(a) Requests for the authorization of group retention allowances under 5 CFR 575.305(d)(1) (reference (e)) for allowances of up to 10 percent of basic pay must be coordinated with all other DoD Components within the commuting area having similarly situated employees. DASD(CPP) retains approval authority for these cases. The IMA must determine that the employees have unusually high or unique qualifications, or that it has a special need for the employees' services that makes it essential to retain the employees in that category. The IMA must also determine whether it is reasonable to presume that there is a high-risk that a significant number of employees in the targeted category are likely to leave Federal service in the absence of an allowance. This determination may be based on evidence of extreme labor market conditions, high-demand in the private sector for the knowledge and skills possessed by the employees, significant disparities between Federal and non-Federal salaries, or other similar conditions.

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(b) Requests for OPM approval of group retention allowances under 5 CFR 575.305(d)(2) (reference (e)) for allowances in excess of 10 percent of basic pay must be coordinated with all other DoD Components having similarly situated employees and include the material listed in 5 CFR 575.305(d)(2)(i) through (v) (reference (e)) before submission through the Head of the Component to DASD(CPP).

(5) Criteria for Payment. The determination that an employee is likely to leave may be based on a written offer from an employer outside the Federal Government.

It may also be based on a written statement by the Garrison Commander/Garrison Manager, Region Director, or the Deputy Director, IMA that the employee is likely to leave based on such evidence as personal knowledge that the employee is actively seeking outside employment and that competitive labor market conditions make it likely such efforts will yield positive results for the employee, or the employee will exercise his or her option to retire. The determination that there is a high risk that a significant number of employees in a targeted category are likely to leave may be based on evidence of extreme labor market conditions, high demand in the private sector for the knowledge and skills possessed by the employees, significant disparities between Federal and private sector salaries, or other similar conditions. In determining whether a retention allowance should be paid and in determining the amount of any such payment, the following factors shall be considered:

(a) The success of recent efforts to recruit candidates and retain employees with qualifications similar to those possessed by the employee for positions similar to the position held by the employee;

(b) The availability in the labor market of candidates for employment who, with minimal training or disruption of service to the public, could perform the full range of duties and responsibilities assigned to the position held by the employee; and

(c) The likely duration of the retention allowance;

(d) The likely effects of such payment on the morale of co-workers;

(e) Funding availability.

(6) Review. Payment of a retention allowance may continue as long as the

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conditions giving rise to the original determination to pay the allowance still exist. However, at least annually, each determination to pay an allowance will be reviewed at the HQ/Region to determine whether the payment is still warranted. This determination will address the same requirements as used for the original approval. The reauthorization approving officials remain the same as specified in paragraphs 4.b. and c.

(a) The annual review of retention allowances will be on a fiscal year basis, with reauthorizations to be effective on the first full pay period of the following calendar year. The calculation of the percentage of salary will include any other general increases put into effect in the same pay period.

(b) Appropriated Fund. Except as specified in paragraph 5.b., the retention allowance will be a constant percent throughout the period of time covered by the initial authorization or the reauthorization. Allowances will be automatically recalculated during the year whenever there is a change in basic pay, and the position for which the authorization or reauthorization was established remains the same. A reauthorization will be required to continue the retention allowance if the employee is reassigned to a different position or promoted.

(c) Nonappropriated Fund. Recertification of the allowance is required 45 days prior to the one year anniversary date to determine if the allowance should continue. If a determination is made to reduce or terminate the retention allowance based on the criteria below, the NAF employee is given a 30 day advance notice.

(7) Reduction or Termination. Based on a review and evaluation, the responsible approving official may reduce or terminate a retention allowance when he/she determines:

- (a) A lesser amount (or none at all) would be sufficient to retain the employee;
- (b) Labor market factors make it more likely to recruit a candidate with qualifications similar to those possessed by the employee;
- (c) The need for the employee's services has been sufficiently reduced; or
- (d) Budgetary considerations make it difficult to continue payment at the level originally approved (or at all);



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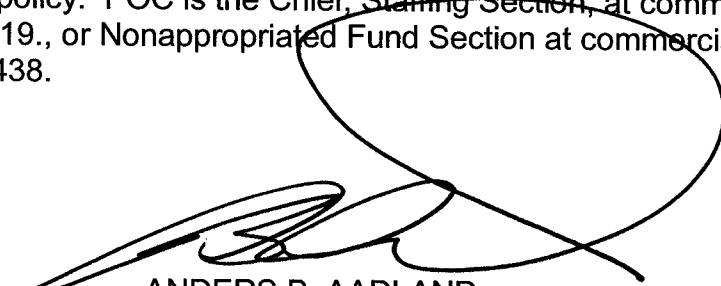
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(e) The employee leaves the position for which the allowance was authorized;  
or

(f) The employee's performance falls below the highly successful level of  
performance.

6. PROPONENT. The HQIMA Human Resources Division, Civilian Personnel Branch  
is the proponent for this IMA policy. POC is the Chief, Staffing Section, at commercial  
(703) 602-3319, DSN 332-3319., or Nonappropriated Fund Section at commercial  
( 703) 602-7438, DSN 332-7438.

Encl

A handwritten signature in black ink, appearing to read 'ANDERS B. AADLAND', is written over a large, empty oval shape.

ANDERS B. AADLAND  
Major General, GS  
Director

**RECRUITMENT/RELOCATION BONUS  
SERVICE AGREEMENT**

<b>A. LOCATION:</b>	<b>B. TITLE, PAY PLAN, SERIES AND GRADE:</b>	
<b>C. ANNUAL RATE OF BASIC PAY:</b>	<b>D. AMOUNT OF BONUS:</b>	<b>E. PD Number:</b>
<b>F. BEGINNING DATE:</b>	<b>G. ENDING DATE:</b>	

**EMPLOYEE'S STATEMENT**

I understand that:

a. As a condition of accepting payment, I hereby agree to remain as an employee of the Installation Management Agency (IMA) in the above position from the beginning date at least through the ending date of this agreement, following the effective date of my appointment/relocation, unless the agreement is terminated sooner as indicated below.

b. If my employment in the position shown above is terminated during the period of the agreement at the convenience of the government, I will be entitled to retain the entire bonus.

c. If my employment in the position shown above is terminated during the period of the agreement at my request, or as a result of misconduct or delinquency, I will be required to repay the bonus on a pro rata basis to the IMA. The amount to be repaid shall be determined by providing credit for each full month of employment completed under this agreement. I understand that under such circumstances these monies are recoverable from me as a debt due to the United States Government. The approving official may waive repayment if it is determined that a waiver is advantageous to the Federal Government.

d. The bonus is not considered basic pay for computing overtime, retirement, insurance entitlement, or other benefits based on basic pay.

e. This agreement does not in any way commit the Government to continue my employment until the expiration date.

<b>TYPED NAME:</b>	<b>GRADE:</b>	<b>SSN:</b>
<b>SIGNATURE:</b>		<b>DATE:</b>
<b>APPROVING OFFICIAL: (TYPED NAME, GRADE, TITLE)</b>		
<b>SIGNATURE:</b>		<b>DATE:</b>

Encl